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STATEMENT UNDER 37 CFR 3.73(b)Applicant/Patent Owner: Richard Martin et al.Application No: 10/506,721, U.S. National Phase of PCT/US03/06793
filed March 7, 2002Entitled: QUINAZOLINONE MODULATORS OF NUCLEAR RECEPTORS

X-Ceptor Therapeutics, Inc. a corporation
 (Name of Assignee) (Type of Assignee, e.g., corporation, partnership,
 university, government agency, etc.)

states that it is:

1. the assignee of the entire right, title, and interest; or
2. an assignee of less than the entire right, title and interest.

The extent (by percentage) of its ownership interest is %

in the patent application/patent identified above by virtue of either:

A. An assignment from the inventor(s) of the patent application/patent identified above.
 The assignment was recorded in the United States Patent and Trademark Office at
 Reel , Frame , or for which a copy thereof is attached.

OR

B. A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as shown below:

1. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
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2. From: _____ To: _____

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3. From: _____ To: _____

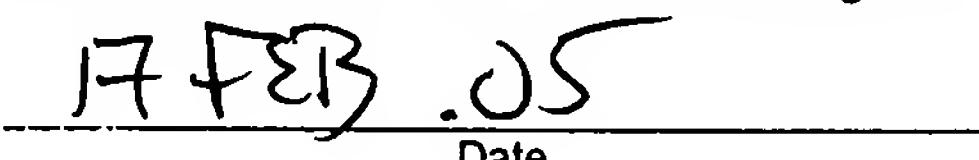
The document was recorded in the United States Patent and Trademark Office at
 Reel , Frame , or for which a copy thereof is attached. Additional documents in the chain of title are listed on a supplemental sheet. Copies of assignments or other documents in the chain of title noted in B above are attached.

[NOTE] A separate copy (i.e., a true copy of the original assignment document(s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, if the assignment is to be recorded in the records of the USPTO. See MPEP 302.08

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.



Signature



Date

Richard HeymanChief Scientific Officer

Typed or printed name

Title

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Docket No. 980049.402USPC

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ASSIGNMENT

WHEREAS, we, **Richard Martin**, having a residence address of 4293 Cordobes Cove, San Diego, California 92130; **Jeffrey D. Kahl**, having a residence address of 10502 Jepson Lane, San Diego, California 92131; **Brenton T. Flatt**, having a residence address of 12721 Pedriza Drive, Poway, California 92064; and **Ronald Griffith**, having a residence address of 2508 Russett Glen, Escondido, California 92029 (hereinafter referred to as ASSIGNORS), are the joint inventors of an invention entitled "**QUINAZOLINONE MODULATORS OF NUCLEAR RECEPTORS**," as described and claimed in the specification for which a non-provisional application for United States letters patent was filed and assigned Application No. **10/506,721**, where said non-provisional application is a national stage application, filed under 35 U.S.C. 371, of International Application No. PCT/US03/06793, accorded an International Filing Date of March 4, 2003, which claims the benefit of U.S. provisional patent application, assigned Application No. 60/363,132, filed March 7, 2002; and

WHEREAS, **X-Ceptor Therapeutics, Inc.** (hereinafter referred to as ASSIGNEE), a Delaware corporation having a place of business at 4757 Nexus Centre Drive, Suite 200, San Diego, California 92121, is desirous of acquiring the entire right, title and interest in and to the invention and in and to any letters patent that may be granted therefor in the United States and in any and all foreign countries.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, ASSIGNORS hereby sell, assign and transfer unto said ASSIGNEE their entire right, title and interest in and to said U.S. non-provisional and international application and any and all letters patent which may be granted for said invention in the United States of America and its territorial possessions and in any and all foreign countries, and in any and all divisions, reissues, continuations, continuations-in-part and extensions thereof, including the right to file foreign applications directly in the name of ASSIGNEE and to claim priority rights deriving from said United States provisional application to which said foreign applications are entitled by virtue of international convention, treaty or otherwise, said invention, applications and all letters patent on said invention to be held and enjoyed by ASSIGNEE and its successors and assigns as fully and entirely as the same would have been held and enjoyed by ASSIGNORS had this assignment, transfer and sale not been made. ASSIGNORS hereby authorize and request the Commissioner of Patents and Trademarks to issue all letters patent on said invention to ASSIGNEE. ASSIGNORS agree to execute all instruments and documents required for the making and prosecution of applications for United States and foreign letters

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patent on said invention, for litigation regarding letters patent, or for the purpose of protecting title to said invention or letters patent therefor.

This Assignment is effective as of March 7, 2002.

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2/15/05

Date

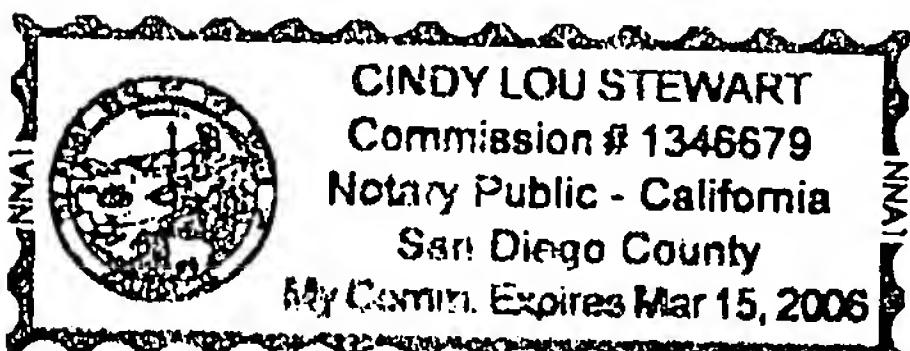
State of California
County of San Diego

Richard Martin

ss.

Richard Martin

I certify that I know or have satisfactory evidence that Richard Martin is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.



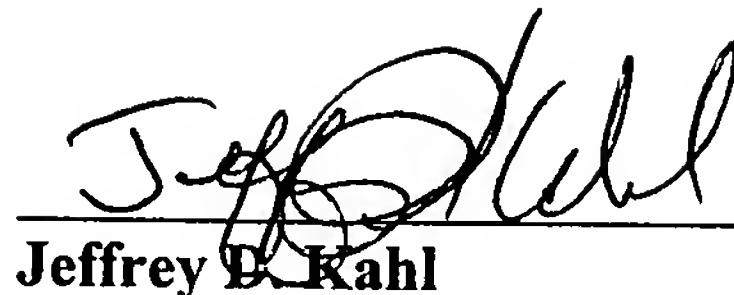
Dated February 15, 2005
 Signature of Notary Public Cindy Lou Stewart
 Printed Name Cindy Lou Stewart
 My appointment expires March 15, 2006

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2/17/05

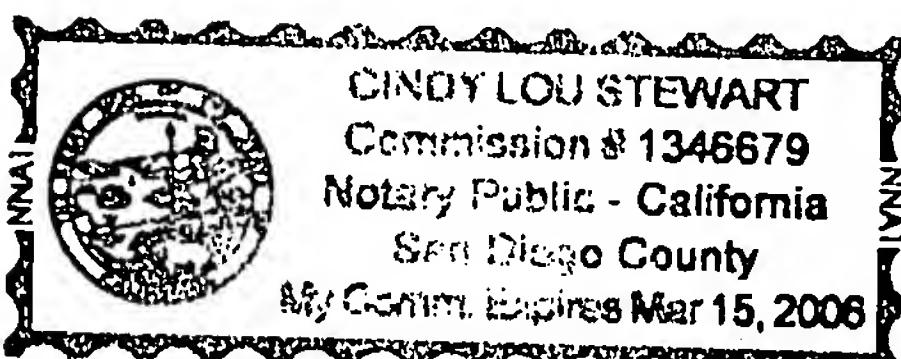
Date

State of CaliforniaCounty of San Diego

Jeffrey D. Kahl

ss.

I certify that I know or have satisfactory evidence that Jeffrey D. Kahl is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.



Dated February 17, 2005
 Signature of
 Notary Public Cindy Lou Stewart
 Printed Name Cindy Lou Stewart
 My appointment expires MARCH 15, 2006

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2/16/05

Date

State of California
County of San DiegoBrenton T. Flatt

Brenton T. Flatt

ss.

I certify that I know or have satisfactory evidence that Brenton T. Flatt is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.



Dated February 16, 2005
 Signature of
 Notary Public Cindy Lou Stewart
 Printed Name Cindy Lou Stewart
 My appointment expires March 15, 2006

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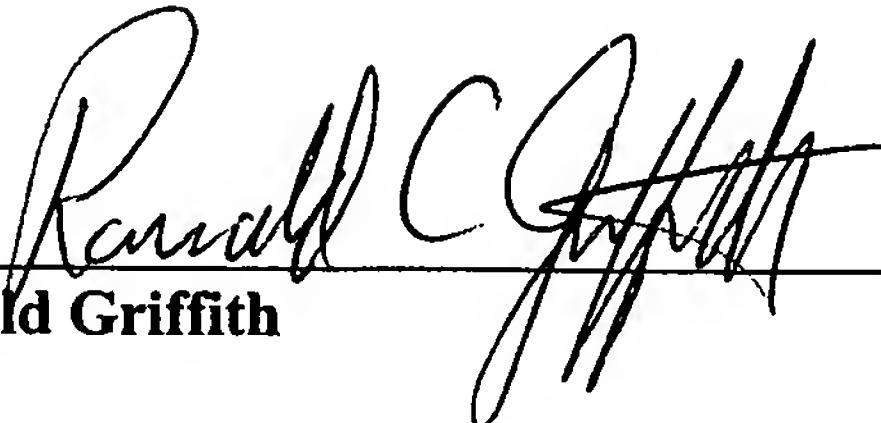
2/16/05

Date

State of California
County of San Diego

Ronald Griffith

ss.



I certify that I know or have satisfactory evidence that Ronald Griffith is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.



Dated February 16, 2005
 Signature of Notary Public Cindy Lou Stewart
 Printed Name Cindy Lou Stewart
 My appointment expires MARCH 15, 2006

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